



14 November 2022

To: President

The Stock Exchange of Thailand

Re: Management Discussion and Analysis (MD&A) for the Third Quarter of 2022 ending as at 30 September 2022

P.C.S. Machine Group Holding Public Company Limited (the “Company”) would like to inform the Management Discussion and Analysis (MD&A) for the third quarter of 2022 ending at 30 September 2022 as follow;

Executive Summary for the Overview of Financial Performance

The Automotive Industry Club, the Federation of Thai Industries, reported the information of overall automotive industry improvement in the third quarter of 2022 presenting resulting domestic vehicle sales in third quarter of 2022 was 206,391 units, increasing 36.2% compared to that of 2021 of 151,489 units and increasing 5.2% from 196,107 units in the last quarter. Vehicle export of 256,800 units increased 25.9% comparing to that of 2021 of 203,992 units and increasing 24.3% from 206,520 units in the last quarter. Total production of vehicles in the third quarter of 2022 was 493,926 units, increasing 34.5% compared to that of 2021 of 367,345 units and increasing 26.6% from 390,033 units in the last quarter, whereas the production of 1-ton pickup truck was totaling 322,090 units, increasing 48.0% compared to that of 2021 of 217,581 units and increasing 24.0% from 259,824 units in the last quarter.

In the third quarter of 2022, the Company and its subsidiaries recorded Sales Revenue at Baht 1,024.3 million, increasing 13.2% from Baht 904.8 million in the same period of 2021, and increasing 3.1% from Baht 993.7 million in the second quarter of 2022, which mainly resulted from the recovery of sales revenue from local business which was at Baht 936.9 million, increasing 12.4% from Baht 833.8 million in the same period of 2021 and increasing of 1.2% from Baht 925.9 million in the second quarter of 2022 due to the change of major customers' orders from the car model changes, according to the relieving of overall automotive market in Thailand since the last quarter. From the overseas business; in the third quarter of 2022, the Company recorded the sales revenue in the amount of Baht 87.4 million, increasing 23.1% from Baht 71.0 million in the same period of 2021 and increasing 28.9% from Baht 67.8 million in the second quarter of 2022 due to the increase of sale tooling and the recovery of the automotive industry in Europe, including the relieving from the semiconductor shortage crisis which occurred in the previous year.

For Cost of Goods Sold (COGS); in the third quarter of 2022, the Company and its subsidiaries recorded COGS of Baht 795.3 million, increasing 17.4% from Baht 677.3 million in the same period of 2021, with the ratio of COGS to sales revenue of 77.6%, and increasing 1.9% from Baht 780.3 million in the second quarter of 2022, which resulted from the higher of production and sales.

In accordance with the changes in Sale Revenue and COGS as described above, in the third quarter of 2022, the Company and its subsidiaries had Gross Profit of Baht 229.0 million, increasing 0.7% from Gross Profit of Baht 227.5 million in the same

period of 2021. Gross profit margin was 22.4%, contributed from local business of Baht 233.1 million and gross loss from overseas business of Baht 4.1 million.

For the Selling, General and Administrative Expenses (SG&A); the Company and its subsidiaries recorded SG&A of Baht 91.0 million, increasing 6.8% from Baht 85.2 million in the same period of 2021, but decreasing 0.9% from Baht 91.8 million in the second quarter of 2022, with the ratio of SG&A to sales revenue of 8.9%, which corresponded to the change of sales revenue in each quarter.

In the third quarter of 2022, the Company recorded the unrealized gain on foreign exchange of Baht 14.1 million, compared with the unrealized gain on foreign exchange of Baht 35.5 million in the same period of 2021 and the unrealized loss on foreign exchange of Baht 1.0 million in the second quarter of 2022 pursuant to loans to overseas subsidiaries in Germany and Hungary. Baht currency against Euro as of 30 September 2022 was at Baht 36.8328.

In conclusion; the Company and its subsidiaries recorded a net profit of Baht 158.4 million with the net profit margin of 15.0% and net profit per share of Baht 0.104, compared the net profit of Baht 211.4 million in the same period of 2021 and the net profit in the second quarter of 2022 of Baht 146.7 million. If excluding unrealized gain/loss from foreign exchange, the Company shall record a net profit of Baht 144.3 million, comparing to a net profit of Baht 140.5 million in the same period of 2021, and a net profit from Baht 147.7 million in the second quarter of 2022.

Details of financial performance comparison for the third quarter and the nine-month period of 2022 are in the attachment.

Statement of Financial Position

Descriptions	As of 30 Sep 2022	As of 31 Dec 2021	Changes + / (-)
Current Assets	3,049.2	3,163.0	(113.8)
Non-current Assets	2,540.2	2,473.5	66.8
Total Assets	5,589.5	5,636.4	(46.9)
Current Liabilities	491.9	594.8	(102.9)
Non-current Liabilities	403.3	416.1	(12.8)
Total Liabilities	895.2	1,011.0	(115.8)
Paid-up Share Capital	1,525.0	1,525.0	-
Share Premium	2,741.7	2,741.7	-
Retained Earnings	355.1	296.6	58.6
Total Shareholders' Equity	4,694.3	4,625.4	68.9

(Unit: Baht million)

Total Assets as of 30 September 2022 were Baht 5,589.5 million. Current Assets decreased by Baht 113.8 million from Baht 3,163.0



million as of 31 December 2021. Trade accounts receivable decreased by Baht 54.1 million and inventories decreased by Baht 32.3 million mainly due to the sale and collection from the tooling customers of the overseas business. Non-current asset increased of Baht 66.8 million due to the separated presentation of the investment in other company according to the net asset value of a subsidiary in Germany that has stopped operation in the amount of Baht 44.4 million.

Total liabilities as of 30 September 2022 were Baht 895.2 million, decreased by Baht 115.8 million from 31 December 2021, due to the trade and other accounts payable decreased by Baht 102.9 million which is in accordance with the normal business payment.

Equity as of 30 September 2022 were Baht 4,694.3 million, increased by Baht 68.9 million comparing to that as of 31 December 2021 due to the annual dividend payment of 2021 to shareholders in April 2022 pursuant to the resolution of the Annual General Shareholders Meeting 2022 and the interim dividend payment from the first half-year performance of 2022 in August 2022, totaling Baht 457.5 million, together with the increase from total comprehensive income for the period of Baht 516.1 million.

Cash Flow Statement

Descriptions	As at 30 Sep 2022	As at 30 Sep 2021	Changes +/-(-)
Cash flows from operating activities	774.4	649.6	124.8
Cash flows from (used in) investing activities	(873.9)	70.5	(944.4)
Cash used in financing activities	(495.5)	(695.8)	200.5
Exchange differences on translation of financial statements in foreign currency	16.0	(19.4)	35.5
Net increase (decrease) in cash	(578.8)	4.9	
Cash and cash equivalents	444.3	817.4	

(Unit : THB million)

The Company have the cash and cash equivalents as of 30 September 2022 was Baht 1,459.3 million (the cash in savings accounts of Baht 444.3 million, the short-term investments in local financial institutions of Baht 1,015.0 million). Cash flow from operating activities was Baht 774.4 million. Cash used in investing activities of Baht 873.9 million were the investing to the bank deposit and the government bonds of Baht 732.2 million, against the cash received from the sale of unused oversea machine/equipment of Baht 23.6 million, net from the purchase of machine and equipment of Baht 181.4 million. And cash used in financing activities was Baht 495.5 million due mainly to dividend payment to shareholders of Baht 457.5 million and the payment of lease liabilities of Baht 37.8 million.

Please be informed accordingly.

Sincerely Yours,

(Mr. Angkrit Rungrotkitiyot)

Chief Executive Officer

Financial Overview for Quarterly Comparison

Descriptions	Q3-2022	Q2-2022	Q3-2021	Changes QoQ (%)	Changes YoY (%)	Ratio to Sales Q3- 2022	Ratio to Sales Q2- 2022	Ratio to Sales Q3- 2021
Sales Revenue	1,024.3	993.7	904.8	3.1%	13.2%			
- Local Business	936.9	925.9	833.8	1.2%	12.4%			
- Overseas Business	87.4	67.8	71.0	28.9%	23.1%			
Other Revenue	31.8	36.3	54.3	-12.4%	-41.4%			
Total Revenue	1,056.1	1030.9	995.4	2.4%	6.1%			
Cost of Goods Sold	795.3	780.3	677.3	1.9%	17.4%	77.6%	78.5%	74.9%
- Local Business	703.8	708.9	592.9	-0.7%	18.7%	75.1%	76.6%	71.1%
- Overseas Business	91.5	71.4	84.4	28.2%	8.4%	104.7%	105.3%	118.9%
Gross Profits	229.0	213.4	227.5	7.3%	0.7%	22.4%	21.5%	25.1%
- Local Business	233.1	217.0	240.9	7.4%	-3.2%	24.9%	23.4%	28.9%
- Overseas Business	(4.1)	(3.6)	(13.4)	-13.9%	69.4%	-4.7%	-5.3%	-18.9%
SG&A	91.0	91.8	85.2	-0.9%	6.8%	8.9%	9.2%	9.4%
- Local Business	52.6	49.4	43.3	6.5%	21.5%	5.6%	5.3%	5.2%
- Overseas Business	38.4	42.4	41.9	-9.4%	-8.4%	43.9%	62.5%	59.0%
Net Profit	158.4	146.7	211.4	8.0%	-25.1%	15.0%	14.2%	21.2%
- Local Business	186.4	177.2	193.6	5.2%	-3.7%	19.9%	19.1%	23.2%
- Overseas Business	(42.1)	(29.5)	(53.1)	-42.7%	20.7%	-48.2%	-43.5%	-74.8%
- Loss from discontinued operation	0.0	0.0	(0.8)	n.a.	100%	0.0%	0.0%	-0.1%
- Gain on sale of Oversea Indirect Subsidiary	0.0	0.0	36.3	n.a.	100%	0.0%	0.0%	3.6%
- Gain (Loss) on Fx (Unrealized)	14.1	(1.0)	35.5	>100%	-60.3%	1.3%	-0.1%	3.6%

(Unit : THB million)

Financial Overview for nine-month period Comparison

Description	9 Months period of 2022	9 Months period of 2021	Changes YoY (%)	Ratio to Sales 9 Months period of 2022	Ratio to Sales 9 Months period of 2021
Sales Revenue	3,155.2	2,911.8	8.4%		
- Local Business	2,910.5	2,623.1	11.0%		
- Overseas Business	244.7	288.7	-15.2%		
Other Revenue	81.6	70.4	15.9%		
Total Revenue	3,236.8	2,982.2	8.5%		
Cost of Goods Sold	2,459.0	2,222.4	10.6%	77.9%	76.3%
- Local Business	2,197.2	1,913.5	14.8%	75.5%	72.9%
- Overseas Business	261.8	308.9	-15.2%	107.0%	107.0%
Gross Profit	696.2	689.4	1.0%	22.1%	23.7%
- Local Business	713.3	709.6	0.5%	24.5%	27.1%
- Overseas Business	(17.1)	(20.2)	15.3%	-7.0%	-7.0%
SG&A	288.1	304.1	-5.3%	9.1%	10.4%
- Local Business	170.6	149.6	14.0%	5.9%	5.7%
- Overseas Business	117.5	154.5	-23.9%	48.0%	53.5%
Net Profit	516.1	504.9	2.2%	15.9%	16.9%
- Local Business	567.8	550.7	3.1%	19.5%	21.0%
- Overseas Business	(117.5)	(156.5)	24.9%	-48.0%	-54.2%
- Government subsidies re impact from Covid	69.2	0.0	100.0%	2.1%	0.0%
- Loss from discontinued operation	1.7	(0.2)	>100.0%	0.1%	0.0%
- Gain on sale of Oversea Indirect Subsidiary	0.0	36.3	-100.0%	0.0%	1.2%
- Gain (Loss) on Fx	(5.1)	74.6	-106.8%	-0.2%	2.5%

(Unit : THB million)